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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

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SEP 4 1992

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable Charles E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510-1501

Dear Senator Grassley:

Thank you for your letter on behalf of Jeanette Bucklew, Acting Director of the Iowa Department of Corrections in Des Moines, Iowa, regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

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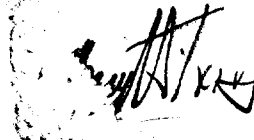
Honorable Charles E. Grassley

2.

Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed-party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. We will incorporate your letter, including the letter from your constituent, in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Sincerely,

A handwritten signature in dark ink, appearing to read "Cheryl A. Tritt", is written over a faint, circular official stamp.

Cheryl A. Tritt  
Chief, Common Carrier Bureau

United States Senate

WASHINGTON, D.C. 20510

August 12, 1992

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AUG 25 1992

LEGISLATIVE AFFAIRS  
CCRA

Linda Townsend-Solheim  
Director, Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W., Room 857  
Washington, D.C. 20554

Dear Linda:

92008198

Enclosed please find a letter from Jeanette Bucklew regarding the proposal to modify long distance services available to correctional institutes.

I would appreciate any assistance you could provide pertaining to this matter. Please mark your return correspondence to the attention of Dawn Latham when responding to my office.

Thank you for your attention to my request.

Sincerely,

*Chuck Grassley*

Charles E. Grassley  
United States Senator

CEG/dl  
Enclosure



TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF CORRECTIONS

PAUL W. GROSSHEIM, DIRECTOR

92 AUG -4 PM 2:22

July 30, 1992

Donna Searcy, Secretary  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington DC 20554

Re: "Billed Party Preference" Proposal  
cc Docket 92-77

Dear Ms. Searcy:

It has been brought to my attention that the FCC is proposing a regulation titled "Billed Party Preference" which, if enacted, would substantially alter the manner in which long distance carriers are selected for collect calls from correctional institutions.

The current design and primary objectives of the Iowa Department of Corrections is to secure the system thereby providing monitoring and timing capability, prevent fraudulent inmate calls, prompt service, and, of course, revenue.

It is the Department's understanding that if this regulation is enacted that most, and possibly all, of the services and benefits of our current system could be eliminated or substantially reduced.

The current inmate phone system in Iowa was implemented at a zero cost to the taxpayers. All revenues are placed into accounts that benefit only inmates. Like most state governments, Iowa is experiencing severe and damaging budget cuts, and these revenues subsidize, and in some cases totally support, many inmate programs, services, or activities.

The current inmate phone system in Iowa was very carefully researched prior to the selection of the present vendors. It has been constitutionally tested and found to be an acceptable phone system by the U.S. Eighth Circuit Court.

As you can see, the enactment of this regulation could adversely impact Iowa's current inmate phone system as well as set the stage for another costly court challenge.

Therefore, the Iowa Department of Corrections does not support the enactment of this regulation.

Should you have any questions, please contact Mr. Fred Scaletta at 515-281-6812.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeanette Bucklew", with a long horizontal flourish extending to the right.

Jeanette Bucklew  
Acting Director  
Department of Corrections

JB/tjr

cc: Senator Charles Grassley  
Senator Tom Harkin  
Congressman Jim Leach  
Congressman Jim Nussle  
Congressman David Nagle  
Congressman Neal Smith  
Congressman Jim Lightfoot  
Charles Lee  
Paul Muller  
Dave Nickell  
Fred Scaletta